GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2256
ANSWERED ON:28.07.2017
Impact of GST on Exchequer and Consumers
Bhatt Smt.Ranjanben;Khan Shri Md. Badariddoza

Will the Minister of FINANCE be pleased to state:

(a) whether a number of commodities fixed under the Goods and Services Tax (GST) are lower than the combined existing rate of Centre and State taxes, if so, the details thereof;

(b) whether there will be a revenue loss of at least Rs. one lakh crore for the Centre and State Governments and if so, the details thereof;

(c) whether corporate and big business houses are willing to pass on the benefit of the reduced rates/tax rebate to the consumers, if so, the details thereof; and

(d) the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a): The GST Council comprising the representatives of Central and State Government recommended the GST rates for goods and services, interalia taking into account the pre-GST indirect taxes incidence on goods and service. The GST rates on goods have since been notified. With the GST rates so notified the tax incidence on items like food grain, milk, egg, sugar, vegetable edible oils, spices in GST regime is lower than the tax incidence in the pre-GST regime.
(b): GST tax rates have been fixed with the objective of maintaining revenue-neutrality in the post-GST regime.
(c) & (d): Section 171 of the Central Goods and Services Act, 2017 provides for Anti-Profiteering measure according to which any reduction in rate of tax on any supply of goods or services or the benefit of input tax credit shall be passed on to the recipient by way of commensurate reduction in prices and the Central Government is in the process of constituting an Authority to examine the same. Many business entities have reduced the prices of their goods and services in view of lower GST rates under the GST regime. They have been publishing these revised rates in leading newspapers from time to time for consumer benefit.
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